background information

R CHURCH AND SOCIETY

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PART II - THE CHURCH IN A DYNAMIC SOCIETY

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Notes on the contents of this issue.

In this issue we continue our discussion of problems confronting the Church in a Dynamic Society.

We are grateful to Prof. Alvin Pitcher of the Federated Theological Faculty, The University of Chicago, for his thoughtful paper on the topic, "Stewardship Over Power and Authority".

Prof. Peter Kuin, writes on the problem of inflation in a highly developed industrial economy. Prof. Kuin is a well-known Dutch economist, member of the Faculty of the University of Amsterdam, and member also of the Working Committee of the Department on Church and Society.

The Ecumenical Council of the Netherlands, through its Commission on Social Affairs has given much thought to the Christian approach to social welfare and justice in the modern scene. We present excerpts from the report which was published in October 1959.

We are always pleased to publish reports by Christian groups on Christian social responsibility, and the statement recently put before the General Assembly of the United Church of Christ in the Philippines is one which deserves attention. We commend it to our readers.

The report by Robert J. Muller of Tunisia is an interesting account of the effect of economic development on traditional culture and values of a society. Mr. Muller is directing the work of a youth hostel in Tunisia.

I

STEWARDSHIP OVER POWER AND AUTHORITY

By

Prof. Alvin Pitcher

Introduction

Those who are frightened by the shadow of power are easily alarmed simply by the bulky forms that seem to stand in between them and the splendor of the good life. But the bigness of business, of government, and of labor unions may or may not bar little men from shaping their own destinies. Concentration of power may or may not be a threat to human fulfilment. The informal exercise of power may or may not undermine the acceptance of authority. And, if we consider stewardship of or over power and authority we find that balancing one power by another may or may not be helpful, that efforts of the church, directly or indirectly, to inform decisions with the Christian substance may or may not be useful, and that a radical reconception of or reorganization of the witnessing community may be necessary.

Without relinquishing claim for its universal significance we must recognize at the outset the parochial nature of the analysis that follows. In the United States the organized Protestant concern for secular power arose in response to the capacity of big business to control, and to determine for its own interests, working conditions, political decisions, and church missions.

At first it was felt that appeals to the consciences of business leaders with some governmental regulation would right the wrong, help each man get his due, and make it possible for men to be healthy and human, even if the Kingdom of God on earth would not be ushered in. Power, represented in business and in government, as the capacity to influence the behaviour of others in accordance with the intentions of its wielder, it was thought, could be informed by concern for the common good. Then, it was discovered, or rediscovered, that man, moral in personal relations, was immoral in society and that "power corrupts and absolute power corrupts absolutely." Therefore, the power of business and of finance must be "balanced" by the encouragement of a countervailing force. The self-interest of one power is to be "humanized" or harnessed by establishing another center of power capable of standing up for its own interests. Thus labor unions were encouraged and many Protestant leaders identified the cause of justice with the cause of labor. It soon became evident, of course, that the fortunes of labor unions were influenced by legislation. Hence, those concerned to curtail the power of business threw their support behind a pro-labor movement in the Democratic party. Labor grew and waxed strong. The government through the Democratic party instituted a broad range of welfare measures. Big business became bigger, big unions combined in the AF of L - CIO to represent more power and a big government became huge. In this situation several questions have been posed:

(1) Does a balance of power between labor and management serve the public interest?
(2) Is there an informal system of power that by-passes the legitimate power or authority, i.e. those recognized as having the right to make decisions for the "little man"?
(3) Do we need new machinery to create responsible power, i.e. to encourage legitimate power?
(4) Is it possible for institutions promoting widespread participation in the decision-making process to serve the real interests of a nation?
(5) How do we determine whether or not power is legitimate?

Balance of Power

The theory of the balance of power can be justified on two grounds: either because it is useful in serving ends someone has in mind or because it is the only way to arrive at ends. Those who justify it on the latter ground either contend that the public interest can only be defined as that which issues from the assertion by each of his own ends or hold that no person, group, or institution represents adequately the public interest because of man's sin. In either case individuals are encouraged to assert their own interests in order to prevent anyone from having an inordinate share of whatever is to be shared. And, when some, through organization, possess unusual power while others, unorganized, are at their mercy the equilibrium is restored by organizing the unorganized.

Those who defend the balance of power as a principle of social organization because it serves their ends, must continually define these ends, reassess the result of a policy of balancing power, and consider alternatives. In the United States, whose genius, according to Daniel Boorsten, The Genius of American Politics is to ignore ends, the liberal doctrine of the harmony of individual interests and the "more realistic" concept of balance of power have been widely acclaimed. Even when ends have been considered usually they are formal, i.e. freedom or equality. Freedom has meant freedom from external restraint or freedom to do as one pleases. Equality has meant equal amounts of whatever is to be distributed, including power. Thus, it is claimed, we should be equally free to do as we please.

It is not strange, then, that we have been wary of power and that we have sought to disperse it or to counterbalance and offset it. Power, as force (influencing behaviour by physical means) or as domination (influencing behaviour by command or request) or as manipulation (influencing behaviour without making explicit the desired behaviour), is suspect because it has been identified with an external principle of motion. As the opposite of self-determination, an American idol, it has been rejected. Power, as passive, i.e. as the capacity to respond or to perform anything well is seldom considered. Since self-determination becomes the end, an understanding power over or of the positive use of an external principle of motion, except to restrain the evil, is very difficult.

Americans are almost unable to understand the assertion in Paul Tillich's Love, Power and Justice. "It is not compulsion which violates justice, but a compulsion which disregards the claim of a being to be acknowledged as what it is within the context of beings." Hence, it is very difficult for us to accept in theory the possibility that law with its coercive power, threatened and actual, can be a positive tool in the self-fulfilment of the individual coerced.

Time and time again individuals react negatively to the proposal that racial discrimination be made illegal, e.g. in the sale and rental of houses, because they cannot conceive of good actions that are not voluntary.

A practical challenge to the doctrine of "the balance of power" arises out of our experiences with labor-management wage negotiations. Since the end of World War II six steel contracts have been negotiated. In each case a settlement, in which wages and prices have risen, has been reached after the government entered the bargaining process to influence the decision. In each case labor and management protected their interests at the cost of inflation and at the expense of the general public. One cannot avoid asking how long this loose coalition of the estates of labor and industry should be allowed, in the name of collective bargaining or the right to strike, to proceed without a more definite effort to introduce control in the name of public interest. Some of the debate over the continuing validity of balance of power can be read in The Corporation and the Economy, published by Centre for the Study of Democratic Institutions, Santa Barbara, California:

> "The idea of countervailing power does not appear as forceful as it once did as a rationale for economic order. For it is seen that while countervailing power might achieve an equilibrium, it does not necessarily move matters along at the right speed or produce the right things in socially desirable quantities. It is a theory of happy accidents, and perhaps a good way to explain what has been happening in economic life. But that it and related theories are not necessarily reliable formulas for the future can be observed in the way management and labor in some industries are learning to cut the pie together at the expense of the consumer, in the change in the make-up of the labor force; in the Defense Department - Big Business complex; and in the warm relations between regulators and regulatees. There is also the important fact that American confidence in the economic machine as a uniquely effective way to mobilize large groups of people for common ends has been roughly shaken by Russia."

Illegitimate Power

A second question arises out of the studies that describe the decision-making process, particularly in political life. Is there an informal system of power that by-passes the legitimate power or authority? Authority is sometimes distinguished both from force or persuasion through argumentation? In this case it means, as it does here, legitimate power, or the exercise of power that is acknowledged by the subordinate individuals as legitimate.

In Community Power Structure Floyd Hunter, Professor of Sociology at the University of North Carolina describes the decision-making process in a city of 500,000 in three major propositions. First, the major decisions in the community are made by a group of forty men. Second, in spite of much activity and interest all so-called citizen's organizations and welfare organizations play a decidedly secondary role and function chiefly to carry out policies circumscribed by if not determined by the forty leaders. Third, for the most part the leaders' decisions are influenced by two factors: maintenance of their power and of their economic interests.

One further comment by Hunter is significant for our consideration:

"It may be noted that none of the ministers of the churches in Regional City were chosen as top leaders by the persons interviewed in the study... It is understood, however, that in order to get a project well underway it would be important to bring the churches in, but they are not, as institutions, considered crucial in the decision-making process. Their influence is crucial in restating settled policies from time to time and in interpreting new policies which have been formed or are in the process of formation. Church leaders, however, whether they be prominent laymen or professional ministers, have relatively little influence with the larger economic interests."

One might easily conclude from Hunter's study that power is exercised by persons not formally responsible to community organizations and that neither ministers nor leading churchmen have much influence in the decision-making process. Support for the proposition that power resides outside the formal decision-making process and thus is illegitimate power comes from many quarters. C. Wright Mills, has stated the case most dramatically in The Power Elite. Mills contends that a small group of business men, administrators, and military leaders make the chief decisions affecting the national life. Congressional leaders are in about the same position as the institutions and formal associations of Regional City. They can implement policy decided by the power elite and they can deal with matters of secondary importance. Mills concludes his study:

"The men of the higher circles are not representative men; their high position is not a result of moral virtue; their fabulous success is not firmly connected with meritorious ability. Those who sit in the seats of the high and the mighty are selected and formed by the means of power, the source of wealth, the mechanics of celebrity, which prevail in their society. They are not men selected and formed by a civil service that is linked with the world of knowledge and sensibility. They are not men shaped by nationally responsible parties that debate openly and clearly the issues this nation now so unintelligently confronts. They are not men held in responsible check by a plurality of voluntary associations which connect debating publics with the pinnacles of decision. Commanders of power unequaled in human history, they have succeeded within the American system of organized irresponsibility."

Similar questions have been raised and must be asked about the informal power within the corporation and the labor union. For, any effort to consider responsible exercise of power must recognize where the power actually is and the futility of solutions that do not take this reality into account. For example, one church official has continually called for ten thousand Christian volunteers from Chicago to take their local citizenship responsibilities with special seriousness. If what we have outlined is largely if not completely true, such a program might have little influence on the real centers of power. Citizenship participation makes sense only if it can be effective.

Responsible Power

If much power is illegitimate we may well ask whether or not the main task is to find machinery to create more responsible power. Responsible power, of course, could be defined as that which is legitimate, or as that which serves the public interest, or as that which permits a larger "representative" or "authorized" group of persons to call the wielders of power to

account. As legitimate, only the reception is important, a response determined by the acceptance or rejection by a subordinate of the exercise of power. As subject to review the form matters, a form determined by frequent participation in approval or disapproval of the way those in power use it. As judged by public interest, the content is superordinate; in this case the origin of authority and the pattern of decision-making are secondary concerns.

One might well question whether or not what is certainly legitimate power in the corporation is in fact responsible. A.A. Berle insists that in the United States the directors of the large corporations form "an automatic self-perpetuating oligarchy." Without the expenditure of hundreds of thousands of dollars no group of stockholders can even attempt to wrest power from the present holders of power. But a new phase in corporate life is emerging. The pension trust funds, running into some thirty billions of dollars at present and destined to become more than twice that size, will increasingly hold substantial amounts of stock. In many cases these holdings will be large enough to represent the controlling interest in a corporation; and that corporation may well be the one for whom the pension funds are held in trust. Hence the trustees of the pension funds will be in a position to control the corporation. Up to this point the pension trustees have not exercised their power, but this situation cannot last forever. Thus, even the fiction of responsibility to a large group of investors with property interest in the corporation will vanish. In its place will be a "pyramid of men who have no possible property interest in the actual corpus but do have the power of choice - the pension trustees." (C.f. A.A. Berle, Jr., Economic Power and the Free Society)

Berle goes on to point out that in spite of the oligarchical nature of the management pyramid concentrated economic power has not got completely out of hand. In spite of the form which makes management in fact accountable chiefly to itself, the content has been surprisingly good. "Their power can enslave us beyond present belief, or perhaps set us free beyond present imagination. The choice lies with the men who operate the pyramids (of power), and with the men affected who can demand what they really want." The crucial control, for Berle, should be intellectual and philosophical but capable of translation into legal rules when necessary. This means, essentially, a body of doctrine that will inform or challenge corporate decision, a modern equivalent to the medieval "lords spiritual." Such doctrine would include the delineation of obligations for corporate power, obligation 1) to maintain supply, 2) to sell for an "acceptable" price, 3) to provide some continuity of employment, and 4) to give continuing attention to the technical progress of the art. And "where a corporation has power to affect a great many lives (differing from the little enterprise which can be balanced out by the market) it should be subject to the same restraints under the Constitution that apply to an agency of the Federal or state government" (Ibid. pp.15-18)

Dispersal of Power and the Public Interest

Berle's discussion of legitimacy, responsibility, and accountability raises the inevitable question about the value of "democratic" institutions. Some serious students of American politics insist that the dispersal of power may prevent the achievement of the public interest (for example, Walter Lippman, The Public Philosophy). They contend that foreign policy in a democracy is bound to be bad foreign policy. They see no way for a nation which depends on

public opinion as much as the United States does to make the hard decisions requiring sacrifice of immediate satisfactions. In the economy, the public interest is not served by letting people vote with their dollars for which should be produced. They insist that a way must be found to find national goals

As yet however there is great reluctance to give up the theory of a pluralistic society in which decisions are made, in theory at least, by a process of give and take or of bumps and grinds. Planning and an ideology spelling out a program of national health is not accepted as part of the American way of life In fact the genius of American politics is said to be in its faith in the given and in its refusal to make big plans. The President has, of course, appointed a committee on national goals. And we have been reminded recently that to neglect a self-conscious consideration of national goals is to invite a decrease in national power and to precipitate catastrophe.

When is Power Legitimate?

Most of the possible formal bases for legitimatizing power have already been suggested.

First, power can be said to justify itself. If it is possessed or exercise it must be valid, for no power on earth is able to endure unless it be acknowledged silently or otherwise. Legitimacy is thus established, in this view, by the capacity to exercise power. In explaining the power exercised one may prefer to emphasize the qualities or character of the powerful or the will of the subordinate. And the response of the subordinate may be differentiated so as to take into account motives of love or of fear.

Second, power may become authority, that is legitimate power, when it is exercised by a wise man, or an able man, or a good man, or a "new" man. What may be used to explain power in the first view now justifies it.

Third, power may be legitimate where and if it is exercised by someone who holds power because he has been selected by an accepted process. Thus, in a western democracy election by the people or appointment by the people's representatives establishes a legitimate political power. In a corporation, election by the stockholders or appointment by the elected directors constitutes the legitimatizing process. In a monarchy, of course, the legitimatizing process would be birth into a particular family. The authority of parent over child would be based upon the relation established by the process of propagation. In this case and in that of a monarchy, a natural process is the root of authority whereas in the first instances voluntary or artificial processes establish authority.

Fourth, power may be said to be legitimate and authority established when and if certain ends are served.

Thus far we have outlined four formal alternatives. The substantive questions must be considered: What character, what process, and what ends legitimatize power? In considering ends let me point out here only that the adequacy of order, freedom, and equality must be questioned.

Stewardship

Our analysis of the situation in the United States as background material for our question has assumed that stewardship in the area of these powers requires from the church something more than faith. Stewardship does involve providing an "existential foundation" for institutional life. "New" men provide good and faithful stewards. But more than a disposition to serve our Lord and Master is required. More seems to be needed than intelligent, conscientious men of faithful will.

A second role of the church, to provide a critical or prophetic appraisal of power and authority, is the one we have assumed is central in the work of the World Council of Churches. This cannot be provided, we believe, without an analysis of the institutions of power in particular situations.

A third role of the church in stewardship over power and authority involves a ministry to particular individuals and institutions. This ministry cannot be performed by a local parish or congregation in most cases. Where there is one dominant church it may be carried on with less difficulty than in a situation like that of the United States.

However, we have found it possible, for example, to have a ministry to a large labor union, initiated by one denomination, carried out in the name of Protestantism. The ministry to the power structures of a city like Chicago, however, will probably involve at least Protestant-Catholic cooperation. We are experimenting with projects involving Catholic, Protestant and Jewish official organizations.

Certainly a responsible ministry to a nation's power centers requires Church structures that also involve power. Hence, all the questions raised with regard to business, government, and labour power must be applied to the church, to the Stewards or to the instrument of stewardship. A recent study of the American Baptist Church contends that at least from the standpoint of process this denomination illustrates illegitimate power (See P.Harrison, Power and Authority in the Free Church Tradition). Therefore, we cannot consider stewardship over power and authority without establishing the basis for the power and authority of the Steward. In the United States, one of the key problems stems from the fact that in many places, in spite of what was true in Regional City, the leaders of business have considerable power in the Protestant churches. The question then is, "Who ministers to whom, in the name of whom?"

II

SOCIAL SECURITY UNDER INFLATION?

By

Peter Kuin

University of Amsterdam

"Assuming continued cost inflation, what measures can be taken to safeguard the security of non-organised groups in society?"

This was what the Editor asked me to write about - and what an objectionable subject it is! Suppose I asked him how, assuming continued breaking of the ten commandments, we could best safeguard the security of our souls? In both cases the assumption itself is wrong, it just should not apply. Yet in reality it applies all the time, or nearly all the time, so we might as well face the problem. The economic one, that is.

The first answer is the same as the pastor's: repent and do something about it. Inflation is not an act of God or a natural phenomenon. Although in most cases it is not meant to happen, it is definitely man made. We can halt inflation, even prevent it, if we really want to, but it takes much determination and a considerable degree of unity. In a way, the price level is like the body temperature, an indicator of health or illness. But unlike the body, society has no ailments beyond remedy.

Does the fact that all currencies have suffered decline for many centuries suggest that inflation is a normal process? The answer is no. First of all, the main cause of currency depreciation has been the occurrence of wars. What happens under extreme stress, when the nation's very life is at stake, cannot be regarded as normal in peacetime. Secondly, our knowledge of the monetary system, though still incomplete, has increased considerably since 1930; intellectually we have never been better equipped for the task.

But do we want to avoid inflation? Has it not the beneficial effect of promoting full employment and economic expansion? It has, but this effect is not unmitigated. The sort of expansion that goes with inflation is feverish and full of conflict. Strikes and campaigns for higher wages, dissatisfied officials and employees, rising rents and interest rates, a dwindling market for government bonds, constant dearth of foreign currency, troublesome import restrictions and a difficult credit situation at home and abroad are "normal" features of inflationary expansion. Price controls and labour shortages are additional worries to the businessman; scarcity, waiting lists and - possibly - black market prices worry the consumer.

One cannot have inflation without at least part of this trouble. That is why inflation, although definitely a way of promoting expansion and full employment, is not the best way. Recommending it is like recommending a little fever or slight intoxication for cheerfulness and activity.

There are, of course, degrees of inflation as there are degrees of intoxication. A common distinction is that between creeping and runaway inflation. Everybody agrees that the latter is bad. Yet it happens every once in a while and when it does, it is like the writing on the wall, because nobody ever starts a runaway inflation deliberately. After a slow start inflation, like a young animal, has a knack of developing a walk, a trot and a gallop with surprising quickness.

Economists will go on debating the pros and cons of creeping inflation for a while, but the debate is largely in the realm of theory. Even the most positive views generally produce but consolation and excuse for what has happened, not directives for what has to be done. In other words, no government starts even a creeping inflation deliberately.

All economic policy should be based on the assumption that inflation is a bad thing. At best it makes for the sort of trouble described above, at worst it reduces people with fixed incomes to poverty and consumes certain forms of savings without compensation. If there is any progress, it is paid for - at least partly - by robbery. The word robbery may sound reactionary, but it is not meant that way. I do not think taxation, even in its severest form, can be called robbery as long as it is based on democratic consent. But the sort of sacrifice inflation involves is not based on any form of consent, it is brought about involuntarily and its distribution is accidental.

About the Editor's question. Can one protect non-organised groups against this sort of accidental robbery? (Organised groups, apparently, are deemed able to protect themselves). On the whole, the answer is yes, but only if the nation really wants to protect them, for it requires a deliberate redistribution of swollen incomes and chance profits.

Technically speaking, the solution lies in making all fixed incomes variable and applying a cost of living index to all money claims, such as bonds, bank accounts and loans; not, of course, to investment in equities (shares) and real estate, because their money value is supposed to rise in step with the general price level.

Let us consider fixed incomes first. By are the weakest "group" (the noun is only a figure of speech here) are the pensioners. They have no market value and their bargaining power is nil. They depend entirely on the community's sense of justice. Everything which is given to them has to be taken from the workers, or rather from the "gainfully employed". At present, most civilised nations practise some form of justice towards pensioners, in that pensions are occasionally increased after a steep or prolonged rise in the cost of living. But even so the situation is far from satisfactory. The rise is often too little and always too late, the decision depends entirely on the mood of those who have to pay and there is no way of making the correction generally applicable to all pensions, government and company alike.

For these reasons, we should study the pssibilities of giving pensioners more systematic and less arbitrary protection against inflation. A distinction should be made between general state pensions - parts of the social security system - on the one hand and superannuation schemes on the other. The former are paid out of tax-payers' money; in many cases contributions vary (or can be made to vary) with the contributors' wages and salaries. As these go up pensions can go up accordingly. As a matter of fact, a number of state pension schemes in Western Europe have a built-in corrective for changes in the value of money. Some are linked to the cost of living and so preserve the pensioners' real incomes. Others are tied to the general wage level and this means that pensioners have a share in the workers' increase in prosperity as well. Social justice is served sufficiently by a link with the cost of living, but the other system may be technically preferable, e.g. in countries where the wage level is easier to establish statistically than the cost of living.

Superannuation schemes, under which an employer (and, as a rule, his employees make annual contributions in order to build up pension rights for the employee during his working life, are more difficult to adjust. In most cases, such pensions are funded and the funds have to be kept outside the employer's accounts. Pensions are paid out of the funds' capital and income. Inflation can only be accounted for to a very limited extent. Annual contributions grow in proportion to wages and salaries, but if - in view of the risen level of prices - contribution made in previous years prove to be too small, the fund cannot help the pensioner. Nor is there growth in his rights after the year of retirement. - Any rise in the funds' obligations to pensioners over and above what has been paid for, causes a deficit in the fund to the extent of the capitalised value of the extra obligation. The employer can fill the gap by paying in a large lump sum, but as a rule he prefers to make an annual contribution towards the increase in pensions actually paid. This payment is entirely voluntary and as such unsatisfactory because it can be withdrawn or reduced at any time, or omitted altogether.

Most government pension funds (for the civil service and the forces) show large deficits, because the pensioners' increased rights have been calculated and charged to the fund - in a capitalised form -, but have not been paid in by the exchequer.

If the decline in the value of money cannot be stopped (or rather is not stopped), the idea of pension founds for government personnel may have to be abandoned altogether. Pensions can be paid out of current revenue in a certain ration to salaries last earned (corrected for the cost of living) or to actual salaries as they move from year to year. The system has to be embodied in a statute to prevent political or financial considerations from affecting the pensioners' rights.

The element of chance is even greater in private business. If superannuation payments are made to depend entirely on annual profits, there is little security indeed for retired staff. That is the very reason why in many countries rights have to be funded and taken outside the firm. Yet the funding system gives inadequate protection against prolonged decline in the value of money. One step towards a solution is for funds (whose highest wisdom has long been to invest in guilt-edged securities) to buy more real property and equities,

which have at least a chance of keeping their real value when prices go up. This change in investment policy enables the funds to adjust pensions occasionally without becoming too dependent on employers.

But it is by no means a panacea. First, few funds change over entirely to real estate and equities. Secondly, yields on investment tend to be low in times of high prices. Thirdly, share prices do not necessarily move with the cost of living: they may lag behind or dip independently.

That is why, under capitalist conditions and assuming superannuation pay vested in funds, a mixed system seems to give maximum security. Either one fund invests half in guilt-edged and half in equities (or property) or contributors are allowed to choose between different types of funds, fixed and variable. In that case they can spread the risk by joining both, which is what the American teachers organisations do.

Another solution is to imitate the social insurance system and form large pension associations - e.g. by industries or groups of industries - into which all those who are actively engaged pay their contributions whilst the retired draw their pensions from current revenue, i.e. contributions. A modest reserve to absorb sudden changes is not incompatible with this system, but essentially it is not a fund. If the value of money declines, incomes will go up and so will contributions (which should always be expressed in a percentage of incomes); as a result there will be more money to share out.

The snag here is the numerical relationship of contributors to pensioners. If the membership declines (e.g. because the industry is not flourishing or mechanisation makes itself felt) the burden of pensions, resting on a dwindling group of active contributors, becomes far too heavy. People will be inclined to get out and join a growing industry, where the weight of a pension is easily borne by a large mass of younger workers.

The ultimate consequence of this annual revenue-sharing principle is a nation-wide pension system. The basis of this may be an equal right for everybody, by way of social insurance, but there is no reason why on top of that there should not be individual rights in keeping with the contributions made during the members' working life. In fact, there are practical examples of this, e.g. in France (caisse nationale des cadres).

So far I have dealt with pensioners only. Are there not other "groups" who suffer from inflation? There are: those who have taken out life insurance policies expressed in fixed amounts, the white collar workers whose salaries always lag behind (particularly if they have to be fixed by government bodies), bond-holders and other long term creditors.

As I have said, these "groups" can be protected by applying an index to their claims. But it is an unhealthy thing to do, because it takes away the last barriers against inflation. The index system, made general, works as a drug and makes the community insensitive to the evils of inflation. That is why this sort of protection should be limited to pensioners.* All those who are still active and can make their influence felt should have reason to

prevent inflation to their utmost ability.

Now why is this necessary if inflation can be made painless through general application of the index? It is necessary because inflation distorts the real state of a nation's economy and consequently leads to the wrong decisions.

It would take a separate article to prove this, but a few words may indicate the line of thought. Apart from the effect of foreign trade (which is a special case) most inflation is caused by overspending or "over-rewarding". Overspending is often done by governments, especially in young states, where ambitions and promises outstrip the means to meet them. In one way or another the balance has to be restored and inflation is an obstacle to that because it reduces the willingness of investors (at home and abroad) to help with loans where revenue fails. There may also be overspending because the rate of investment (by the government or private enterprise) is faster than the rate of saving. In that case investment has to be curtailed or saving has to be stepped up. Both remedies are obstructed by inflation: who would postpone orders for equipment when prices go up and up, and who would save more when money is losing its value? Furthermore, overspending may be due to consumers living (temporarily) beyond the limits of their spendable incomes. This won't stop unless prices stop rising.

"Over-rewarding" takes place when people allocate to themselves - or force others to allocate to them - incomes higher than correspond with their actual contribution to the nation's performance. Unless they get their rise at the expense of others, they help the nation to price itself out of the market. Inflation is not only the effect of this tendency but it also veils its true nature by providing the pressure group with some sort of justification: the rising cost of living. The way back to soundness is often painful.

For all these reasons the complete index system - for wages, salaries and long term debts - is wrong. Built-in protection against inflation should be limited to the defenseless. It would be better for the others to organise and help to prevent the evil.

* Holders of insurance policies are also in a weak position because they have to have them - a young householder cannot let his family bear the risk of his untimely death - and yet when the policy matures its buying power has often dwindled to a fraction of what it was meant to be. But in most cases policy holders can protect themselves by rising their annual contributions in proportion to the rise in their income.

III

WELFARE AND THE IDEOLOGY OF WELFARE*

Excerpt from the Report of the Commission on Social Affairs of the Dutch Ecumenical Council, October, 1959

INTRODUCTION

In a surprisingly short time, the question of welfare (prosperity) has become a very vital issue in Western society as well as in Holland. Back in 1945, few in our country would have thought that in 1959 we would need to consider this question, not because of shortages but because of the growing tendency towards overabundance. In this report we are concerned with prosperity and its consequences because it is not the "welfare society", but the "responsible society" which is for us the criterion of all existing social institutions, as well as a norm to guide us in reaching the concrete decisions with which we are constantly faced.

In writing this report, the assumption is that the increase of abundance will continue, even if the possibility remains that short periods of stagnation may occur.

Welfare Ideology

For quite a long time the welfare situation of Europe has been stagnant. In the thirties, due to the business crisis and unemployment, national income decreased. The war destroyed a large amount of the national wealth and injured the sources of prosperity. In the first seven years following the war, through rehabilitation and reconstruction, the basis was laid for the further development of the national income, which has taken place in the past seven years.

(We should not identify welfare exclusively with growth and renewal of income. Increase in welfare can also be expressed in other terms, such as decline of disease, of alcoholism, of mortality and criminality, improvement in housing, child care, education.) Although the economic crisis and unemployment did exert a strong negative influence also in these fields, we still can speak of a steady improvement. Over a somewhat longer period, the following developments can be observed:

a) the adaptation of new machines and scientific methods in agriculture has greatly increased the quantity of food products, while the percentage of people working on the land, gardening, cattle raising, has greatly diminished.

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* By "welfare" in this article is meant "abundance" or "prosperity".

Thus there is more food. Behind this simple fact, there is naturally more than mere modern mechanization; e.g. a higher educational level of the agricultural population, the improvement and expansion of education, a better hygiene for people and cattle, etc....all these come under "growing welfare".

b) In industry a considerable increase of productivity has occured thanks to new machines (powered by steam, petrol, electricity and soon nuclear energy), and thanks to greater organizational skill by which quantity as well as quality have risen. There are thus many more consumer goods, also continually new ones, as the process of technical discoveries continues. Here also the machine is not the only factor: there are, among other factors, skilled labor, better wages, the expansion of technical and scientific research, and an important group of people whose only task is to raise welfare; there is greater leisure with possibilities of new pleasures and relaxation.

c) Services have developed enormously in modern society and continue to do so. Thereby, we do not refer only to transportation and banking etc., but also sick-care, schools, social welfare institutions, radio, television, adult education and training centres, travel associations, etc. We receive services and take them for granted - see how people protest whenever the service network fails!

d) A process of "fundamental democratising" (Mannheim), along with a greater mobility, has drawn the masses upward, recognizing their political and social rights, thus giving them participation in possibilities of human life formerly only accessible to the privileged classes. One can clearly notice the influence of higher welfare on the different groups in the population: formerly, the gains of industrial development fell mainly in the hands of the bourgeoisie and intellectuals; then the organized labor came to claim their share; now even the lowest social groups benefit from the increase in prosperity. The idea of social security for all is part of the present society just as poverty as a permanent phenomenon belonged to the past one.

e) Not only an economic and social modification, but also a psychological change is taking place in class relationship. The modern laborer, a trained worker, with a decent salary, well fed and well dressed, with chances of social uplift for his children and with political equality, no longer considers himself the oppressed and exploited proletariat of the past, and his children absolutely not at all. The mentality prevalent in the greater part of the working class tends to the standard of living of the middle-class.

f) The mentality of today's business leadership is also very different from that of the capitalists of last century. They have accepted the recognition of the right of labor; they know that proper wages play a role in the general welfare improvement, and that particular forms of participation and respect for the human factor are necessary and serve the interests of the company and of social peace. Thus, psychologically speaking, the modern world has become ripe for the ideas of distributing welfare, and this does not refer to some hoped-for utopia, but to the division of the fruit of the labor of all.

In the above are shown the real forces in which the welfare ideology is rooted. In order possibly to clarify still more the contrast between the present and the old society and its mentality, we may compare the "Pauper Law" of 1854 with the Declaration of the Rights of Man of 1948. The Pauper Law was based on the premise that nobody was entitled to assistance. Moreover, the authorities turned over care for the poor, first of all to the Church and to private charity organizations, only contributing when government help had indeed become indispensable. In determining the amount of assistance, hardly any consideration was given to the question of possible prevention of insecurity for the poor. This was a typical expression of a philosophy which did not understand anything of the social causes of poverty and wrapped itself up in the doctrine of the non-interference of the state.

Now in the Declaration of 1948, especially in articles 22 to 27 the so-called basic social rights are stated: right to social security, right to work, free choice of occupation, just and favorable working conditions, protection against unemployment, equal pay for equal work, a salary insuring man and his family a dignified existence, right to rest and leisure, right to a standard of living safeguarding the health of man and of his family, right to education and free participation in cultural activities. In this is formulated the ideals of a welfare economy.

In our present experience of welfare, the stress is more and more on consumption. The strong tendency to own expensive consumer goods (a tendency constantly stimulated by advertising) leads to the modern welfare ideology. The general spiritual climate, the expectations and the desires of average people are greatly dominated by the idea that greater possessions bring greater happiness.

Insofar as they think of the future, most people see it as a time when everything will be still more abundant and better. Internationally speaking the opinion is expressed that greater welfare for all nations will be the condition for world peace.

We do not in the least need to reject the fact that there is great gain and progress in the technical and scientific field and that it is a blessing, or that social and international peace depend first and foremost on justice. Nevertheless the words of the Bible "Man shall not live by bread alone (read welfare), but by the Word of God" take a new critical reality, especially in an economy of plenty, led by the sensual welfare ideology. In this, there is no objection against bread or welfare, but against the ideology which makes them the foundation of life.

Economic Problem

This section of the Report describes the factors making for a rapid increase in welfare and then calls attention to certain problems which are by nature economic. (Ed.)

Even today there are many to whom the word welfare has a bitter connotatio In spite of the great increase in the national income per head, for instance in the years 1952-56, there is, nevertheless, for many still no question of prosperity. Granting that many people prefer to judge their situation in the light of what others have reached, rather than remember their own former position, it is a fact that there are groups in our nation who are, seen objectively, definitely poor. We think, for instance, of the tens of thousands of elderly people who depend mainly for their subsistence on the very modest benefits accorded to them by the law on Public Old Age Insurance (a couple gets about Dutch Florins1500 per year ($375.00)). Then we think of the group of widows and orphans for whom a regulation was passed on October 1, granting them support (this group involves more than 100,000 women with an income of less than D.Fl.2,400). In the third place we must mention the invalids, of whom more than 100,000 have an extremely meager income as a result of the present Invalidity Law. Finally we refer to some tens of thousands of unemployed (employed by the projects of the Municipal Social Employment and the so-called "displaced" unemployed) who have a weekly income of about D.Fl.50.

Besides these groups who are not properly employed, we must direct attention to the low salaried workers who are employed. This group includes some tens of thousands whose yearly net income is under D.Fl.4,000. One can also find such low incomes among the so-called small independent workers.

We have tried to find out in what measure changes have taken place in the inequality of income distribution in our country since the second World War. We have attempted to express these data in a simple form and found it in an equation between the average upper class income 1) and the average income of a trained laborer. In 1938 this proportion was 2.1 and in 1954 1.7 (both after tax deduction). We can conclude from this - recognizing the global character of the figures and the limitation in the range of trades and income classes - that the inequalities of income were less in 1954 than in 1938. What has taken place is a relative levelling of incomes between skilled labor and a number of careers of the new middle-class.

How Should This Prosperity Be Judged?

The first concern of the Bible is the salvation that God promised man if he will walk in the path of righteousness. Man is characterized by the fact that he constantly errs from this path. Is the striving towards welfare such an expression? Or, on the contrary, does the effort for prosperity manifest one of God's commandments to till the land?

Wealth and prosperity are often shown in the Old Testament as signs of God's blessing, but only insofar as they point to the coming Messianic state of salvation and are enjoyed in the service of God and fellow-men. To place the wealth we gain in the service of man, now and in the future, is not a

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1) The analysed trades were: policeman, higher civil servants such as "assistant commies", "commies", counsel, and administrator, school teacher with diploma, secondary teacher and professor.

spontaneous action. Wealth and prosperity are often a source of temptation. First of all the temptation to relax one's morals, secondly it may lead to greed and pride, thirdly the temptation to exert power over others without any rational basis. Individuals as well as nations can fall a prey to these temptations. In this case wealth is no longer a means in the service of a higher moral aim (the salvation of man), but it becomes an end in itself. There is no doubt that the Gospel passes judgement on this.

Wealth and welfare can have God's blessing, but this does not mean that God is absent where prosperity is lacking. The New Testament teaches clearly that in order to live (to be), more is necessary than the possession of material goods. One can even say that material possessions often stand in the way of the true life of man.

Also the New Testament idea of the stewardship teaches inward detachment from material goods and enjoins us to be careful managers. If he does not succeed in achieving inward detachment from material goods, man brings evil to his fellowmen and neighbors. We can see this thousands of times in our present-day society.

A right attitude is impossible where the yearning for prosperity and the striving for it dominates all other aspects of man, as a human being and as a part of humanity. Where the concept that all comes from God and has been entrusted to us (even as our own) is rejected, the notion of humanity in its evangelical sense is perverted.

Thus stated, the growing prosperity in our society is the main problem of what we call the responsible society. For, along with our welfare, our responsibility towards God and our neighbor will grow. Prosperity shows itself more and more as a power which invades the soul of man. From the testimony of the New Testament, there is no doubt that the Christian is called to resist this power, not by opposing the cause of increasing welfare, but by guarding himself against the obsession of acquiring wealth.

Welfare and Justice

If it is true, as we stated above, that the question of re-distribution of the existing income is losing its importance, considering the existing slight contrasts, there remains only one solution, and that is, in the expectance of a further increase of the national income, to pay greater attention to those who earn least. Considering elimination of poverty as our first task, there is an urgent need to carefully examine how the groups in the lowest income strata can be helped. They include only a relatively small part of the working people, but a relatively large part of those who no longer are productive.

As much as we rejoice in the establishment of provisions for the aged, the widows and orphans, the invalids and other handicappedin our society, we should still realize that in spite of the above measures (and coming ones), these groups are still not granted more than a bare minimum subsistence.

With the coming increase in national income, it is necessary that we seek ways by which the benefits to these groups be raised above that minimum. The Commission also wishes to bring to the attention of the experts the need to seek ways to improve the position of the lower levels of the laboring classes. More specifically, we think of ways of improving the position of the unskilled workers by means of education. Seeing that elimination of poverty is the first task given us by the Gospel, we should naturally not limit our thinking to those who are within our borders. Although the problem of poverty has been solved for the greater part of our country and of the Western world, we as a nation ought to realize more vividly that for the largest part of the world, the problem of poverty is still fully unresolved.

An increasing attention is being given to this problem and we wish here to express our sincere gratitude for the great activity developed in this field by the World Council of Churches.

There is also a growing interest in the world political organizations. The assistance extended is indeed growing, although still very small considering the growing size of national incomes and in proportion to the scope of the problem.

The problem of poverty in the countries in question is a world problem which demands a world-wide solution. Also our country will have a task there, be it ever so modest. Its task can become a vast one, if only by awakening the consciences of the relatively wealthier nations. It will become the more powerful if we, as a nation, show ourselves ready with our offers. It is not enough to say that we ought to give at least 1% of our national income, we must prove that we are willing to do so by honoring the demand out of our further economic growth. With great emphasis we want to request the churches to take the necessary initiatives here.

The Dutch churches themselves can easily set an example by expanding their program for Interchurch-aid. They should not hesitate to appeal urgently to their congregations, urging them to make personal contributions.

IV

A CHURCH IN THE PHILIPPINES VIEWS ITS SOCIAL RESPONSIBILITY

("A Statement of Social Concern" was adopted by the May 1960 General Assembly of the United Church of Christ in the Philippines at its Legaspi meeting. Last year, the Executive Committee of the United Church of Christ requested the Department of Public Welfare to begin the process of thinking through the church's responsibility on current social issues. A statement was prepared on the economic development of the Philippines and it was discussed interdepartmentally within the church. The revised statement was sent to the annual Conferences for their action. Their suggestions were considered by a special General Assembly committee and the statement brought to the floor of the Assembly.)

Introductory Theological Statement

Throughout Asia today, people and their governments are in the midst of a political, economic and religious upheaval. The tremors of this upheaval have shaken the old foundations of Asian culture and are making way for the building of new political, economic, and religious structures. It is imperative that the church ask herself what her role is in this new day.

The church cannot hold itself aloof from the world in which it lives. Even as the Lord of the church came not to be ministered unto, but to minister, so He calls His disciples to be His servant-people. (John 13-12-17). They are called to witness and to serve Christ in the world. (Acts 1:8; Matt. 20:26-28). It is through its members that the church confronts the world at all points of daily life. (II Cor. 5: 17-20; Eph. 4:22-24). Even as Christ came that men might have life and have it abundantly, (John 10: 10) so Christians are to bear witness to this new life both in word and deed within the world. (Col. 3: 17). While Christians have been called from the world into a fellowship of unity and peace with their Lord, (Eph. 4: 1-6; Col. 3: 12-15) He sends them forth to witness to God's forgiving love by their concern and compassion for the world. (Matt. 25: 31-46; Luke 10: 23-37).

As one who has been sent forth to live in the world, the Christian needs to know the world in which he lives. He is "to be in the world, but not of the world." Being in the world, the Christian soon recognizes that there are often no clear cut answers to the issues he must face. He is dwarfed by the enormity of social evils and confused by the complexity of the issues of life. But as a Christian he knows he can neither abdicate his responsibility to face the social evils, nor can he comfort himself with easy answers to difficult social, economic, and political problems. (Phil. 2: 12-13).

As he seeks to live in this world, the Christian realizes the necessity of thinking and acting together with other Christians as well as persons and groups other than his own. The Christian does not face the world alone. But he grows in strength through the Christian community into which he has been called. Within this community he is bound together in the unity of the Spirit with other who belong to Jesus Christ. (Eph. 4:15-16). The church is composed of men and women from all walks of life and with a variety of experience. It is within this community that fellow Christians share their knowledge and their experience in the world. Within this community also God calls his people to listen to what the world is saying to the church. In this act the church is kept in touch with the changing times. (Eph. 5:5-17). Within the church there is need for this continual sharing and reflection upon the issues confronting Christians in the world. As the church does this in faithfulness to the mind of Christ it can provide its people with a Christian understanding of the issues, a guide for living their faith, and strength for action in the present world.

It is in answer to this call to live and to serve God in the world that this statement of social concern is made. It is provided as a guide for Christi thinking and action in meeting the present problems of Philippine society.

The Church and Economic Development.

Immediate economic development is today a pressing problem for all Asian countries. To meet the demands of their people for a more abundant life, the government of Asia have concentrated their energies in discovering the right economic formula for increasing national income and alleviating their nation's economic poverty.

Population Trends.

The necessity for immediate solution to economic problems has been intensified by concern over the consequences of present population trends. Populatio experts and governmental authorities throughout the world are apprehensive over the ability of the earth's resources to meet the demands of the rapidly expandin world population. The problem is especially acute for those nations just beginning to develop their economic potential. In these lands unrelenting population expansion puts even greater pressure on speeding up the process of economic development.

Reliable estimates of Philippine population growth show an annual increase of almost 3%. In 1957 the Philippines showed a figure of 203 persons per square mile of land area. By 1980 an estimated population of 57 million will push this figure to over 500 persons per square mile. This increase in population will have vast effects on the direction taken by the Philippine economy in the immediate future. What should the Philippine government stress in its economic development plans? The necessity for the agricultural sector to produce enough food to meet basic human needs stands high on the priority list. The ability of industrialization to provide the machinery for rapid development and to provide jobs for the increasing numbers entering the labour market is another major concern. Still another problem is the need to provide adequate space and facilities for already over-crowded urban areas.

Modern Technology

Faced by the immensity of their tasks, Asian governments have looked to modern technology as the answer to their dilemma. In their plans for economic development, great stress has been laid upon building up the industrial sector of their economies. The problems of Asia are the problems of the masses. And industrialization produces mass results. To feed, clothe, and house the growing millions requires technological efficiency and the methods of mass production. With this in mind the Philippine government has made concerted efforts to industrialize its economy. Leaders in all areas of the nation's life have pointed to the need for a healthier balance between the agricultural and industrial sectors of the economy. In the postwar period industry has taken on a greater importance in the nation's economy. The industrial sector which accounted for 13% of the total national income in 1948 had been raised to a figure of 24% in 1958.

As industrialization becomes more of a force in the nation, the Philippines can look forward to more locally manufactured goods in meeting her people's particular need. Not only will industry provide more jobs but it will decrease the dependence of the Philippines upon overseas manufactured goods. Industrialization will bring benefits to the people in the form of greater variety of locally produced goods, in terms of higher wages, and a rising standard of living. But in this movement to industrialize there are problems which should not be overlooked.

Need for Agricultural Development.

There is a danger that in intensifying the demands for industrialization the nation will neglect its agricultural base. A healthy agricultural sector is not only necessary to the physical well-being of the people, but the income from productive and efficient agriculture can provide capital for the development of the industrial sector as well. It should, therefore, be the concern of the Philippine churches that in the development of the economy, due attention be paid to programmes aimed at increasing the productivity and income of the agricultural areas. Alongside this problem is the need to encourage employment in the agricultural areas of the country. We look with approval upon all attempts at meeting the problems of the rural areas within the broad perspective of development of community life. We give our support to programmes (i.e., PACD) which foster self-help and further community cooperation on the barrio level. We encourage our people in rural areas to make use of government and private programmes aimed at increasing their farm productivity and developing sound community life.

Believing in the process of grass roots democracy we encourage our rural people to discuss policies of the national government which directly or indirectly effect the agricultural areas. We, furthermore, encourage them to express their thinking on these issues through local government channels and to those national officials responsible for making Philippine policy and legislation.

Industrialization and Rapid Social Change.

Another effect which should not be overlooked is the impact of industrializ upon the total culture. The growth of a strong industrial sector, which took ov two centruries in Europe and the United States, cannot be capsuled into a shortened period of time without having repercussions both on Philippine culture and economy. The demands technology makes upon a people and the new social context it creates, disrupts old cultural patterns. Industry requires a new discipline which was unknown in farm work. Factories are run according to strict daily time schedules. These schedules do not take into account the social obligations of family life or fiesta celebration. Industry breaks old relationships and draws men into new social relationships with other fellow-workers, and with new friends in the city.

Urbanization.

Industrialization spurs on the growth of cities. In the organization of industry, factory sites are chosen with an eye to the area's labour supply, the transportation facilities and a stable market for the product produced. In underdeveloped countries, industry chooses existing cities. Thus in establishin factories in these cities, industry has helped to create what a UNESCO Report called primate cities. Into these cities flock thousands of people looking for work or seeking an escape from the boredom and drudgery of farm life. In the rapid growth of cities, social problems have been multiplied beyond the resource of the city governments. Over-crowding in slum areas create health, law and order, and education problems. Thus industry should bear some of the burden of the social problems it has helped to create in the cities.

The church must apply itself to the problems arising in the cities. The church recognizes that the concentration of industry in one or two urban centres not only creates over-crowding in these centres, but also deprives other areas of the benefits of industrialization. Therefore, we urge the government and private industry to seek ways in which the growing industry of the country can be decentralized over a wider area. We call upon the national and city governments, as well as private enterprise, to expand their programmes for low income housing projects to provide for the growing population of the cities. We are concerned with the cities' social problems and call upon the national government to work together with city governments in expanding welfare services for the numerous squatter families and individuals caught in disintegrating social conditions. At the same time we offer our resources in working together with government and other agencies in studying and meeting these problems.

The Church's Ministry.

Recognizing the great changes that have come upon Philippine society in the last decade, the church calls its people to a careful study of its own resources in meeting this new day. We recognize, as a primary responsibility, the need for adequate training of our pastors in carrying on their ministry amidst these changes. We encourage theological seminaries to provide in their curriculum for such understanding and training. We must not only look to our immediate needs but we must prepare our people for the road which lies ahead.

In the growth of industry and cities we recognize the need for a strategy to carry on our Christian ministry among the new city dwellers and the growing numbers of industrial workers.

The Responsibility of the Laity.

Industrialization not only brings about new social structures, but creates new attitudes toward life. Our Judeao-Christian heritage, which sees the world as created and ruled by God, is replaced in a technological society by an over-appreciation of man's ability to create the necessities of life. In a commercialized society, things become more valued than people. Religion becomes more and more relegated to the practice of ancient rituals and special observance. Realizing the danger of modern society to push religion off into a corner, we remind our people of their obedience to Jesus Christ in all areas of life. We recognize the importance of the layman's witness in his work and call upon our people to live out their Christian calling responsibility in the political, social and economic realms of daily life. We declare that the Lord of the church is also the Lord of the factory, the farm, and the office, and is sovereign wherever men live and work.

V

SOCIETY AND ISLAM IN TUNISIA

By

Robert J. Muller

"During the Ramadan, all work is held up. Just at the very moment when we are doing our utmost to increase production, how can we resign ourselves to seeing it brought to a standstill? .....I contest that religion can impose such a decree. It is inconceivable that it should ever be an obstacle to the well-being of the Muslims, an element of stagnation in their progress. The Prophet Himself broke the fast to overcome his enemies. We also have an enemy to overcome: poverty. By the voice of His Prophet God is calling us to be stronger in order to overcome our enemy....."

It is with these words that, on February 5th 1960 in Tunis Mr. Habib Bourguiba, President of the Republic of Tunisia, engaged in one of the bitterest struggles he had encountered since his country gained its independence. As soon as he rose to power, the founder of the "Neo Destour" began to lead Tunisian nationalism along secular lines: it is in this light, at any rate that most foreign observers, and in particular Arab states, saw the "Destourian" doctrine.

In their anxiety to shape their country's destiny from the very first months of independence, Mr. Bourguiba and his collaborators tried with great courage to adapt Muslim law to the necessities of modern life. Among several steps taken in that direction, we shall quote four which seem to be of particular importance.

Reform of the Statutes of the "Habous" Lands.

The first reform of the new government was in the statutes of "Habous" lands. Only two months after independence day, by the decree of May 31, 1956, the "Habous" lands which were hitherto under public administration lost all their religious character and became state-owned before being parcelled out among small land owners. This means that 375,000 acres of the most fertile land are put in use for modern trade. On July 18, 1957, after a period of study, in a second decree, 400,000 acres of "Habous" lands, the revenues of which were given to religious organisations, became public property before being allotted.

The "Habous" is a traditional and common institution found in countries ruled by the Koran according to which the owner of an estate makes it inalienable in order to allot its revenues to religious organisations or to a public welfare organisation either immediately or upon the death of the descendants who are named as intermediaries in the constitutive act. There can be no doubt

that the "Habous" was a legitimate institution springing from religious motives and it would be unfair to say that it was entirely harmful to Muslim society.

The "Habous" estate patrimony included both huge buildings and rural property. In addition to its advantages on the economic level, the reform of the statutes of "Habous" land had an effect on the social level. By parcelling out of these huge estates, the Tunisian government aimed at achieving a re-distribution of goods and the partial reabsorption of unemployed peasantry on land which had been left idle for many years. It also hopes to create in this way a strong class of small land-owners.

Emancipation of the Muslim Tunisian Woman.

As soon as it came into being in 1934, the "Neo-Destour" included in its programme the liberation of women. Only a few months after the declaration of independence, the promulgation of a new family-code conferred on women a civil status equal to that of men, granting them the protection of the law, guaranteeing their liberty and bestowing on them both rights and duties.

Married off by her father as soon as she reached puberty, the Tunisian woman used to have to accept man's tyranny all her life. She was but an animal for procreation "a beast to take pleasure in while she was young; a beast of burden on reaching old age". The ever present threat of repudiation weighed down heavily upon her. Even when she had children, they did not belong to her but to her husband. It was her husband who used up all her earnings, and in all matters, including religious practices, she was kept apart.

The decree of August 13th, 1956, brought into being a new family code to replace the customs in use up to that time. This new decree did not aim so much at rendering legitimate what the religious law forbade but rather at making illegal certain practices which were previously allowed. It did not take away from marriage its Islamic traditions:

- contract with a dowry still exists, but it makes compulsory the both parties before the lawyers, thus putting an end to forced marriages.
- the young couple must have reached the age of puberty (15 for the girl and 18 for the boy).
- the dowry is to be handed over to the wife who is free to spend it as she thinks fit.
- polygamy is illegal.
- legal divorce with its guarantee replaces repudiation - it is open to both parties, thus ensuring that the wife is no longer the slave of her husband's whims. The divorced woman can obtain an alimony and be granted care of the children.

In general, the authorities are trying to take various measures both on the social and the religious level to ensure a progressive emancipation of women. One of the most important of these steps is the attempt to persuade Tunisian women to stop wearing their veils. The revolutionary work of the government is already beginning to bear fruit. Gradually women are leaving

off their veils. They are receiving education and jobs are being offered to them both on the private and public level.

In the great struggle in which Tunisia is engaged for social and economic development, the contribution of Tunisian women has an important part to play.

Teaching of the Koran.

An equally important effort is being made to modernise the teaching of the Koran. The 135 schools or so which had been built on the peoples' initiative and with the parents money to teach young children the Koran, have now passed into the hands of the State Board of Education. The government is now responsible for all expenses and has instituted a programme of education better suited to modern needs.

But the most spectacular reform is without a doubt the placing of the Moslem University of Es Zitouna directly under the responsibility of the Minister of Education. For a long time the rival of the Al Ahzar University in Cairo, the Djemàà es Zitouna was one of the most brilliant centres of Islamic culture. As far as its teaching and conception went it closely resembled the Sorbonne of the Middle Ages. With the exception of a few graduates who managed to find openings in the magistracy of the Bey or in the teaching at the University itself, the majority of others had no option but to accept manual labour.

The students themselves became aware of this anachronisme and as early as 1950, a modern section was created for their benefit. By now, teaching has become modernised and includes science in its programme. As for the future of the Zitouna (as far as we can see) it is likely to be incorporated into the Tunisian University, in process of construction, as a faculty of Theology.

Since it has been able to free itself from certain oriental tendancies on the one hand and from a too pan-Arab teaching on the other, the Zitouna is already attracting some future Muslim leaders from the Islamic circles of Central Africa who hesitate to study in Cairo.

The Ramadan.

The Ramadan, instituted by Mahomet at the beginning of his stay in Medina, calls upon the faithful to observe throughout a full lunar month a total abstinence from food, drink, tobacco etc....., although this ban lifts at night. It is needless to go into the results of such a decree on the economic life of the country. For a whole month the working population slows down its output tremendously when it does not stop work completely.

The Tunisian leaders, who made the fight against unemployment and the raising of their peoples standard of living their first aim, could not accept that economic progress should be thus slowed up during four weeks. Always anxious to reform certain Muslim practices only in the context of the teaching of Islam, President Bourguiba had compared the economic battle now being waged to the Holy Wars. During these wars, the warriors were exempted from

keeping the fast. In military barracks and in all teaching establishments, an "advice" - not to call it an order - was given to the effect that the fast should not be kept. School children were told that examinations would be held during that month just as usual and that under no circumstances could the time-table be modified.

For the first time the head of the Tunisian state was faced with fairly strong opposition. Naturally it was only to be expected that religious conservatives should react, all the more violently since the Ramadan has always been strictly observed in that part of the Magreb. To show their opposition to the regime and their anti-Bourguiba feelings, it is said that a number of the most educated Tunisians who hitherto had not kept the fast did so most religiously this year and very ostentatiously at that. Although the President did not retract his former speeches, he felt impelled to explain in a later one: "I was careful to emphasise that I was not calling on anyone to break the fast. I was merely insisting that the Ramadan should not paralyse production.

The fact still remains, however, that the Ramadan has been severely hit, for, even though nearly the whole country observed it, it has lost for many its true significance as a fast. The difficulties encountered in this field during the first year of reforms will not prevent an evolution in the conception of religious practice.

In contrast to Ataturk, Mr. Bourguiba has never adopted an attitude of defiance towards Islam. The first article of the constitution says: "Tunisia is an independant state, sovereign, the religion of which is Islam, the language Arabic and the form of Government a Republic". The 37th article affirms: "The President of the Republic is the Head of the State. His religion is Islam".

A new Tunisia and a new Islam are already taking shape.